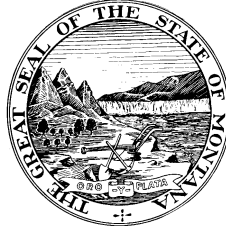


PUBLIC SERVICE COMMISSION  
STATE OF MONTANA

Bill Gallagher, Chairman  
Bob Lake, Vice Chairman  
Kirk Bushman, Commissioner  
Travis Kavulla, Commissioner  
Roger Koopman, Commissioner



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PO Box 202601  
Helena, MT 59620-2601  
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February 6, 2014

Mr. Patrick R. Corcoran, Vice President  
Government and Regulatory Affairs  
NorthWestern Energy  
40 East Broadway  
Butte, MT 59701

RE: Data requests in Docket D2013.12.85

Dear Mr. Corcoran,

Enclosed please find data requests of the Montana Public Service Commission to NorthWestern Energy (NWE) numbered PSC-104 through PSC-120 in the above-referenced Docket. Please begin the response to each new numbered data request on a new page. Please provide responses by February 20, 2014. If you have any questions, please contact me at (406) 444-6191.

Sincerely,

Neil Templeton  
Regulatory Division  
Montana Public Service Commission

Service Date: February 6, 2014

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

\* \* \* \* \*

IN THE MATTER OF NorthWestern Energy's	)	REGULATORY DIVISION
Application for Approval to Purchase and	)	
Operate PPL Montana's Hydroelectric Facilities,	)	DOCKET NO. D2013.12.85
for Approval of Inclusion of Generation Asset	)	
Cost of Service in Electricity Supply Rates, for		
Approval of Issuance of Securities to Complete		
the Purchase, and for Related Relief		

**DATA REQUESTS PSC-104 THROUGH PSC-120 OF THE  
MONTANA PUBLIC SERVICE COMMISSION  
TO  
NORTHWESTERN ENERGY**

PSC-104

Regarding: Coal Asset Valuation  
Witness: Stimatz

- a. Please describe and provide sources for all costs shown in the Colstrip 1&2 O&M, Colstrip 3 O&M, and Corette O&M tabs of the Excel spreadsheet provided in response to PSC-066. If you employed models to estimate these costs, please describe in detail the inputs and calculations performed. If the costs were estimated by PPL, please provide the source documents.
- b. Please describe and provide sources for all capital expenditures shown in the Thermal CapEx tab of the Excel spreadsheet provided in response to PSC-066. If you employed models to estimate these expenditures, please describe in detail the inputs and calculations performed. If the costs were estimated by PPL, please provide the source documents.
- c. Please describe and provide sources for all expenditures shown in the G&A, Contingency Items tab of the Excel spreadsheet provided in response to PSC-066. If you employed models to estimate these expenditures, please describe in detail the inputs and calculations performed. If the costs were estimated by PPL, please provide the source documents.

- d. Please describe the derivation of the values found in cells D:4, D:5, and D:6 of the Valuation tab of the PSC-066 spreadsheet. Why are these values not linked (iteratively) to the net present values found in cells H:4-6 of the same sheet?
- e. Please provide evidence and reasoning to support NorthWestern's assumptions of service termination at Corette in 2016, and Colstrip 1&2 in 2032.

## PSC-105

Regarding: Coal Asset Valuation

Witness: Meyer

- a. Please describe and provide sources for all costs reflected in the NWE Energy Supply estimates of coal asset cost of sales; as found in rows 15, 25, 35, and 55 of the Thermal Var COS tab of the conforming bid Excel spreadsheet provided in response to PSC-003. If you employed models to estimate these costs, please describe in detail the inputs and calculations performed. If some of the costs were estimated by PPL, please provide the source documents.
- b. Why did NorthWestern choose to use its own estimates regarding the coal asset cost of sales rather than the "CIM" estimates displayed in rows 14, 24, 34, and 54 of the tab referenced in (a)?
- c. Please provide the source of the estimates referenced in (b).

## PSC-106

Regarding: Coal Asset Valuation

Witnesses: Meyer, Stimatz, Unknown

- a. Is the coal asset (Corette, Colstrip 1&2, Colstrip 3) cost and production information found in the conforming bid spreadsheet provided in response to PSC-003 consistent with the full information that NorthWestern had received prior to July 1, 2013? If not, please explain inconsistencies and deficiencies.
- b. Is the coal asset cost and production information found in the spreadsheet provided in response to PSC-066 consistent with the full information that NorthWestern had received prior to July 1, 2013? If not, please explain inconsistencies and deficiencies.
- c. Please remedy any inconsistencies and deficiencies in the PSC-003 and PSC-066 spreadsheets by providing data to support all relevant model inputs that are consistent with full information as of July 1, 2013.

## PSC-107

Regarding: Ongoing Litigation at Flathead Lake  
Witness: Rhoades

It was indicated in the Due Diligence Report that there is ongoing litigation with respect to shoreline erosion around Flathead Lake and the maintenance of lake levels controlled by Kerr Dam. *See Mattson v. Mont. Power Co.*, 2012 MT 318, 368 Mont. 1.

- a. Please identify and describe any costs related to this litigation that NorthWestern is proposing to include in rates in this proceeding.
- b. Assuming NorthWestern acquires PPL's hydroelectric facilities, please indicate whether NorthWestern will seek to recover any costs related to this litigation from customers if the Plaintiffs (i.e., landowners with properties on the shores of Flathead Lake) ultimately prevail.
- c. With respect to sub-part b., please identify and describe the costs that NorthWestern will seek to recover through rates.
- d. Assuming NorthWestern acquires PPL's hydroelectric facilities, please indicate whether NorthWestern will seek to recover any costs related to this litigation from customers if the Defendants ultimately prevail, or if the parties ultimately settle.
- e. With respect to sub-part d., please identify and describe the costs that NorthWestern will seek to recover through rates.

## PSC-108

Regarding: Ongoing Litigation on Riverbed Ownership  
Witness: Rhoades

It was indicated in the Due Diligence Report that there is ongoing litigation with respect to payments potentially owed the State for use of navigable riverbed. *See PPL Montana v. Mont.*, 132 S. Ct. 1215 (2012).

- a. Please identify and describe any costs related to this litigation that NorthWestern is proposing to include in rates in this proceeding.
- b. Assuming NorthWestern acquires PPL's hydroelectric facilities, please indicate whether NorthWestern will seek to recover any costs related to this litigation from customers if the Plaintiff ultimately prevails.
- c. With respect to sub-part b., please identify and describe the costs that NorthWestern will seek to recover through rates.

- d. Assuming NorthWestern acquires PPL's hydroelectric facilities, please indicate whether NorthWestern will seek to recover any costs related to this litigation from customers if the Defendant ultimately prevails, or if the parties ultimately settle.
- e. With respect to sub-part d., please identify and describe the costs that NorthWestern will seek to recover through rates.

## PSC-109

Regarding: Supporting Data for Due Diligence  
Witness: Rhoads

For all projects please provide:

- a. The Part 12 Supporting Technical Information (STI)
- b. The Dam Safety Surveillance and Monitoring Plan
- c. The Dam Safety Surveillance and Monitoring Report
- d. Floodgate Operating Procedures
- e. Operations and Maintenance Programs

## PSC-110

Regarding: Additional Ryan Dam Information  
Witness: Rhoads

For Ryan Dam please provide all available information on:

- a. The waste gate structure
- b. Intake post-tensioning

## PSC-111

Regarding: Additional Hauser Dam Information  
Witness: Rhoads

For Hauser Dam please provide all available information on the left non-overflow post-tensioning.

PSC-112

Regarding: Additional Madison Dam Information  
Witness: Rhoads

For Madison Dam please provide all available information on:

- a. Left rock abutment stabilization
- b. Timber crib dam

PSC-113

Regarding: Additional Hebgen Dam Information  
Witness: Rhoads

For Hebgen Dam please provide all available information on the intake and spillway remediation.

PSC-114

Regarding: Additional Thompson Falls Dam Information  
Witness: Rhoads

For Thompson Falls Dam please provide all available information on the current status of the seismic project evaluation.

PSC-115

Regarding: Additional Kerr Dam Information  
Witness: Rhoads

For Kerr Dam please provide all available information on the seismic analysis of embankment and gravity section.

PSC-116

Regarding: Debris Issues  
Witness: Rhoads

For all projects, covering the last five years:

- a. Are you or PPL aware of any incidents of the overtopping non-overflow structures due to debris problems at gates, intakes or other control structures?
- b. Have you or PPL identified any debris/trash problems at the intakes of the projects?

- c. Please provide the number of outage hours (Forced and Planned) system wide due to debris problems.
- d. Please provide the number of lost megawatt-hours system wide due to debris problems.

## PSC-117

Regarding: UBS Confidential Information Memorandum  
Witness: Rhoads

Please provide a complete copy of the UBS Confidential Information Memorandum concerning the Project Mustang Hydro facilities, dated June 2013.

## PSC-118

Regarding: Transmission and distribution support  
Witness: Rhoads

- a. Are any of PPLM's hydroelectric generating assets considered to be "must run" projects that provide generating support for NorthWestern's integrated transmission and distribution system?
- b. If the answer to "a" is yes, please identify the "must run" projects and explain how they support the T&D system.

## PSC-119

Regarding: Compliance obligations, follow-up to PSC-038  
Witness: Rhoads

Please provide the most current versions of all documents PPLM provided to NWE that served as the bases for the August 26, 2013 legal memorandum re: "Review of PPLM's List of License Articles with Compliance Requirements and Current Project Status."

## PSC-120

Regarding: Carbon Price Forecast  
Witness: Unknown

Please provide the primary source document from the AEO, called GHG15 in the 2013 RPP (page 5-6), that supports your carbon price forecast.